

**SCHOOL DISTRICT**  
**OF**  
**LITTLE SILVER**



**LITTLE SILVER BOARD OF EDUCATION**  
**LITTLE SILVER, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**LITTLE SILVER BOARD OF EDUCATION**

**LITTLE SILVER, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY**

**LITTLE SILVER BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# LITTLE SILVER SCHOOL DISTRICT

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## **INTRODUCTORY SECTION**



# LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

Amy Lerner  
Business Admin./Board Secretary

Tel: 732-741-2188  
Fax: 732-741-3644

December 3, 2012

Honorable President and  
Members of the Board of Education  
Little Silver Public Schools  
Little Silver, New Jersey 07739  
County of Monmouth, New Jersey

Dear Board Members/Citizens:

The comprehensive annual financial report of the Little Silver School District ("District") for the fiscal year ended June 30, 2012 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Silver Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the state Treasury OMB Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



### 1. REPORTING ENTITY AND ITS SERVICES:

Little Silver School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Little Silver Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular instruction and special education for both special needs and for handicapped children in and out of district. The District provides a variety of after school activities which include band, chorus, computer club, and athletic activities. The District provides transportation for children who live 2 miles from the school and also provides subscription bussing, which allows the District to charge parents for transporting children who live less than 2 miles from school. The district completed the 2011-2012 fiscal year with an enrollment of 817 students which reflects a decrease of 10 students from the previous year's enrollment.

### 2. ECONOMIC CONDITION AND OUTLOOK:

Little Silver is a suburban community whose residents mainly are professionals who work in corporations in the area or commute to New York City. Most of the area has been developed and there is little commercial enterprise.

The school system is highly valued by local residents. Students in Little Silver attain very high scores on performance assessments, placing the school system year after year in the top five percent in the state academically. 59% of the professional staff hold advanced academic degrees, and there is a great deal of emphasis on continuing professional development.

The Education Foundation of Little Silver, created in 1995, provides many resources for innovative educational programs with an emphasis on the support of technology in the schools. The Little Silver Parent Teacher Organization is also very generous with its support in enrichment and enhancement of the educational program of the schools.

Little Silver Schools have formed innovative partnerships in education with both corporations and local universities to further the implementation of academic programs and technology. There is an excellent degree of participation by parents and community members with the school system including making the facilities available for Little Silver's Recreation programs, Boys Scouts, Girl Scouts and adult recreational activities. The district has the parents involved throughout the school year in many activities such as: Back-to-School Nights, American Education Week, Family Activity Night, and Curriculum programs sponsored by the PTO.

### 3. MAJOR INITIATIVES:

The Little Silver students continue to score above the state and national averages on standardized tests. The following is a summary of our 2011-2012 passing NJASK Scores for Grade 3, 4, 5, 6, 7 & 8:

	<u>Language Arts</u>	<u>Science</u>	<u>Mathematics</u>
*Grade 3	86.2%	n/a	88.3%
*Grade 4	82.7%	100%	90.4%
*Grade 5	96.2%	n/a	92.9%
*Grade 6	90.8%	n/a	93.9%
*Grade 7	91.7%	n/a	97.6%
*Grade 8	97.6%	98.8%	96.3%

Many professional development activities were accomplished in the 2011-2012 school year. In February, an in-service day was conducted for staff. Many workshops were also presented during the year including parent workshops. These workshops support the focus on federal and state mandated use of technology as well as the implementation of core curriculum standards for both regular and special education. Little Silver Schools is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

#### 4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- a) the cost of a control should not exceed the benefits likely to be derived; and
- b) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### 5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance account system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board ("GASB"). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Note 1 of the Notes to the Financial Statements.

#### 7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in Note 2 of the Notes to the Financial Statements. The District has adopted a Cash Management Plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, employee benefits liability, nurses' professional liability, workers' compensation, hazard and theft insurance on property and contents, board legal liability, student accident and fidelity bonds for the Treasurer, Board Secretary/Business Administrator and Assistant Board Secretary.

10. OTHER INFORMATION:

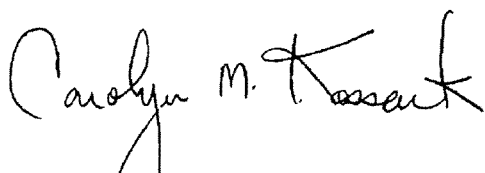
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Robert A. Hulsart & Company, CPAs. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996, the related OMB Circular A-133 and state OMB Circular 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

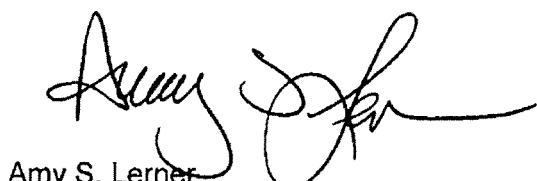
We would like to express our appreciation to the members of the Little Silver Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Carolyn Kossack  
Superintendent of Schools



Amy S. Lerner  
School Business Administrator/Board Secretary



# LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

Amy Lerner  
Business Admin./Board Secretary

Tel: 732-741-2188  
Fax: 732-741-3644

## LITTLE SILVER BOARD OF EDUCATION

### LITTLE SILVER, NEW JERSEY

#### ROSTER OF OFFICIALS

JUNE 30, 2012

#### Members of the Board of Education

#### Expires

Kevin Brennan, President	2012
Christian Smith, Vice President	2012
Arthur Adamson	2014
Stephanie Brannagan	2014
Michael Grant	2011
Andrew Walsh	2013
Lorre Weisman	2012

#### Other Officials

Dr. Carolyn M. Kossack, Superintendent

Amy S. Lerner, School Business Administrator/Board Secretary

Linda M. Considine, Treasurer

Anthony P. Sciarrillo, Esquire



# LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

Amy Lerner  
Business Admin./Board Secretary

Tel: 732-741-2188  
Fax: 732-741-3644

## LITTLE SILVER BOARD OF EDUCATION

### CONSULTANTS AND ADVISORS

JUNE 30, 2012

#### **Audit Firm**

Robert A. Hulsart and Company C.P.A.'s  
2807 Hurley Pond Road  
Wall, New Jersey 7719

#### **Attorney**

Lindabury, McCormick & Estabrook, P.A.  
53 Cardinal Drive, P.O. Box 2369  
Westfield, New Jersey 07091-2369

#### **Official Depository**

Investors Savings Bank  
20 White Street  
Red Bank, New Jersey 07701

Commerce Capital Markets  
1701 Route 70 East  
Cherry Hill, New Jersey 08034-5400

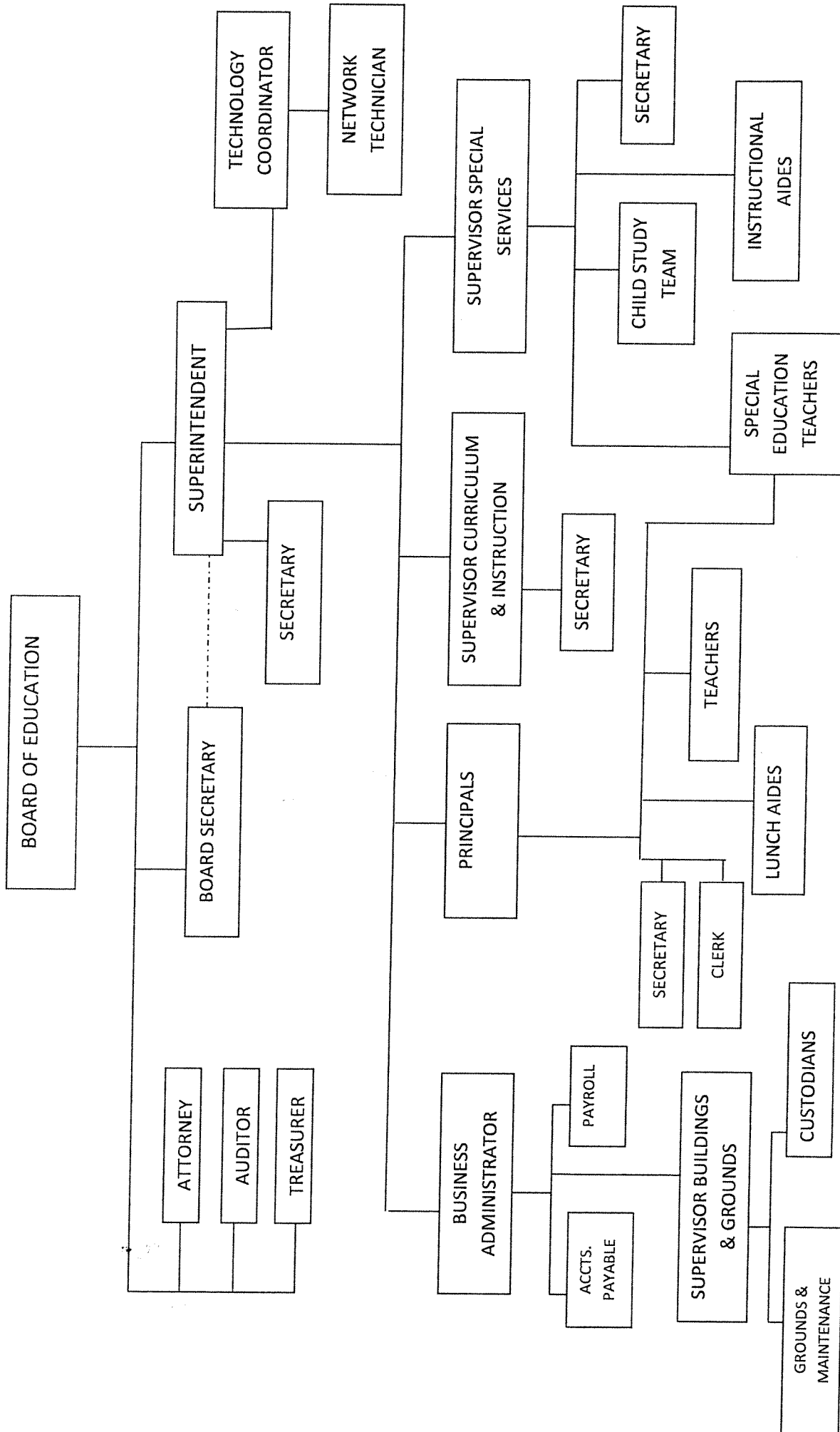
#### **Construction Management Company**

P.W. Moss & Associates  
7 Plumridge Drive  
Doylestown, PA 18902

#### **Architect**

Netta Architects  
25 Route 22 East  
Suite 290  
Springfield, NJ 07081

# LITTLE SILVER BOARD OF EDUCATION ORGANIZATION CHART



## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
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2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Little Silver School District  
County of Monmouth  
Little Silver, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Little Silver School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Little Silver Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Little Silver Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012, on our consideration of the Little Silver Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 16 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Little Silver Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

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Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

December 3, 2012

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**LITTLE SILVER PUBLIC SCHOOL DISTRICT**  
**BOROUGH OF LITTLE SILVER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The discussion and analysis of Little Silver Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2011-2012 fiscal year are as follows:

- General revenues accounted for \$12,947,807 in revenue or 97% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$347,115 or 3% percent to total revenues of \$13,294,922.
- The School District had \$12,665,925 in expenses; only \$347,115 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,947,807 were adequate to provide for these programs.
- The General Fund had \$11,981,255 in revenues and \$11,617,531 in expenditures. The General Fund's balance increased \$305,686 over 2011. This increase was anticipated by the Board of Education.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Little Silver Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Little Silver Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2011-2012 fiscal year?” The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on Exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Table 1 provides a summary of the School District's net assets comparisons of fiscal year 2012 with 2011.

**Table 1**  
**Net Assets**

	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 2,513,795	2,239,065
Capital Assets, Net	<u>18,646,580</u>	<u>18,892,118</u>
Total Assets	<u>\$ 21,160,375</u>	<u>21,131,183</u>
<b><u>Liabilities</u></b>		
Other Liabilities	\$ 752,295	704,391
Long-Term Liabilities	<u>6,567,379</u>	<u>7,284,017</u>
Total Liabilities	<u>\$ 7,319,674</u>	<u>7,988,408</u>
<b><u>Net Assets</u></b>		
Invested in Capital Assets, Net of Debt	\$ 11,336,359	10,938,259
Restricted	1,886,066	1,875,884
Unrestricted	<u>618,276</u>	<u>328,632</u>
Total Net Assets	<u>\$ 13,840,701</u>	<u>13,142,775</u>

Table 2 shows the changes in net assets for fiscal year 2012. Revenue and expense comparisons to fiscal year 2011.

**Table 2**  
**Changes in Net Assets**

	<u>2012</u>	<u>2011</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 63,275	43,620
Operating Grants and Contributions	283,840	311,588
General Revenues		
Property Taxes	11,495,603	11,318,113
Grants and Entitlements	1,335,522	1,000,417
Other	<u>116,682</u>	<u>93,655</u>
Total Revenues	<u>13,294,922</u>	<u>12,767,393</u>
<b><u>Program Expenses</u></b>		
Instruction	5,208,652	5,051,348
Support Services		
Pupils and Instructional Staff	1,576,304	1,463,299
General Administration, School Administration,		
Business	3,825,632	3,530,722
Operations and Maintenance of Facilities	972,813	1,018,571
Pupil Transportation	257,299	247,361
Interest on Debt	332,182	330,848
Food Service		6,383
Unallocated Depreciation	435,005	475,241
Refunding of Extraordinary Aid	<u>58,038</u>	
Total Expenses	<u>12,665,925</u>	<u>12,123,773</u>
Increase in Net Assets	<u>\$ 628,997</u>	<u>643,620</u>

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 86% percent of revenues for governmental activities for the Little Silver Public School District for fiscal year 2012. The District's total revenues were \$13,294,922 for the fiscal year ended June 30, 2012. Federal, state, local grants and other local revenues accounted for another 14%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

### **Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### **The School Board' Funds**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Little Silver's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2012, it reported a combined net asset balance of \$13,840,701. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

## The School Board' Funds (Continued)

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

## Capital Assets

At June 30, 2012, the School Board had approximately \$18,892,117 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2012 fiscal year.

	<b><u>Governmental Activities</u></b>
Table II	
Capital Assets at June 30, 2012	
Land	\$ 5,297,900
Buildings	12,925,508
Machinery and Equipment	<u>423,172</u>
Total	<u>\$ 18,646,580</u>

## Debt Administration

At June 30, 2012, the School District had \$7,310,221 as outstanding debt. Of this amount \$143,535 is for compensated absences, \$183,686 is for loans for school facilities, and the balance of \$6,983,000 is for bonds for school construction.

## Economic Factors and Next Year's Budget

The Little Silver Public School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The Borough of Little Silver is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

The \$618,276 of unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a balance of \$618,276.



**Economic Factors and Next Year's Budget (Continued)**

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

In conclusion, the Little Silver Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Ms. Amy S. Lerner, School Business Administrator/Board Secretary at Little Silver Board of Education, 124 Willow Drive, Little Silver, NJ 07739.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**STATEMENT OF NET ASSETS****Exhibit A-1****JUNE 30, 2012**

	<b><u>Governmental Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 615,307	615,307
Receivables, Net	195,956	195,956
Restricted Assets:		
Cash and Cash Equivalents	652,623	652,623
Capital Reserve Account - Cash	1,049,909	1,049,909
Capital Assets Not Being Depreciated	5,297,900	5,297,900
Capital Assets, Net	<u>13,348,680</u>	<u>13,348,680</u>
Total Assets	<u><u>\$ 21,160,375</u></u>	<u><u>21,160,375</u></u>
<b><u>Liabilities</u></b>		
Deferred Revenue	\$ 5,196	5,196
Accounts Payable	4,257	4,257
Noncurrent Liabilities:		
Due Within One Year	742,842	742,842
Due Beyond One Year	<u>6,567,379</u>	<u>6,567,379</u>
Total Liabilities	<u><u>\$ 7,319,674</u></u>	<u><u>7,319,674</u></u>
<b><u>Net Assets</u></b>		
Invested in Capital Assets, Net of Related Debt	\$ 11,336,359	11,336,359
Restricted For:		
Debt Service	4	4
Other Purposes	1,886,062	1,886,062
Unrestricted	<u>618,276</u>	<u>618,276</u>
Total Net Assets	<u><u>\$ 13,840,701</u></u>	<u><u>13,840,701</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit A-2  
Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,892,351			(3,892,351)		(3,892,351)
Special Education	1,088,086		140,666	(947,420)		(947,420)
Other Special Instruction	142,847			(142,847)		(142,847)
Other Instruction	85,368			(85,368)		(85,368)
Support Services:						
Tuition	201,905	20,500		(181,405)		(181,405)
Student & Instruction Related Services	1,374,399		143,174	(1,231,225)		(1,231,225)
School Administrative Services	723,276			(723,276)		(723,276)
General and Business Administrative Services	314,123			(314,123)		(314,123)
Plant Operations and Maintenance	972,813			(972,813)		(972,813)
Pupil Transportation	257,299	42,775		(214,524)		(214,524)
Unallocated Employee Benefits	2,788,233			(2,788,233)		(2,788,233)
Interest on Long-Term Debt	332,182			(332,182)		(332,182)
Unallocated Depreciation	435,005			(435,005)		(435,005)
Total Government Activities	12,607,887	63,275	283,840	(12,260,772)	-	(12,260,772)
Total Primary Government	12,607,887	63,275	283,840	(12,260,772)	-	(12,260,772)

STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2012

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	10,513,301		10,513,301
Taxes Levied for Debt Service	982,302		982,302
Federal and State Aid Not Restricted	1,335,522		1,335,522
Investment Earnings	11,830		11,830
Miscellaneous Income	104,852		104,852
Total General Revenues, Special Items, Extraordinary Items and Transfers	12,947,807	-	12,947,807
Other Financing Sources (Uses):			
Refund of Extraordinary Aid	(58,038)		(58,038)
Change in Net Assets	628,997	-	628,997
Net Assets - Beginning	13,211,704		13,211,704
Net Assets - Ending	\$ 13,840,701	-	13,840,701

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 2,317,835			4	2,317,839
Interfund Receivable	38,503				38,503
Receivables from Other Governments	153,858	42,098			195,956
Total Assets	<u>\$ 2,510,196</u>	<u>42,098</u>	<u>-</u>	<u>4</u>	<u>2,552,298</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Interfund Payable	\$ -	32,645	5,858		38,503
Accounts Payable		4,257			4,257
Deferred Revenue		5,196			5,196
Total Liabilities	<u>-</u>	<u>42,098</u>	<u>5,858</u>	<u>-</u>	<u>47,956</u>
Fund Balance:					
Reserved for:					
Encumbrances	303,906				303,906
Legally Restricted - Designated for Subsequent Years Expenditures - Excess Surplus	531,760				531,760
Emergency Reserve	40,859				40,859
Maintenance Reserve	80,000				80,000
Capital Reserve Account	1,049,909				1,049,909
Excess Surplus	189,392				189,392
Unreserved, Reported In:					
General Fund	314,370				314,370
Capital Projects			(5,858)		(5,858)
Debt Service Fund				4	4
Total Fund Balances	<u>2,510,196</u>	<u>-</u>	<u>(5,858)</u>	<u>4</u>	<u>2,504,342</u>
Total Liabilities and Fund Balance	<u>\$ 2,510,196</u>	<u>42,098</u>	<u>-</u>	<u>4</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,268,494 and the accumulated depreciation is \$4,621,914.

18,646,580

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(7,310,221)

Net assets of governmental activities

\$ 13,840,701

The accompanying Notes to Financial Statements are an integral part of this statement.



LITTLE SILVER SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$10,513,301			982,302	11,495,603
Tuition	20,500				20,500
Transportation Fees	42,775				42,775
Interest Earned	11,830				11,830
Miscellaneous	57,327	47,525			104,852
Total Local Sources	10,645,733	47,525	-	982,302	11,675,560
State Sources	1,317,670	6,951			1,324,621
Federal Sources	17,852	276,889			294,741
Total Revenues	11,981,255	331,365	-	982,302	13,294,922
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	3,892,351				3,892,351
Special Education Instruction	947,420	140,666			1,088,086
Other Special Instruction	142,847				142,847
Other Instruction	85,368				85,368
Support Services and Undistributed Costs:					
Tuition	201,905				201,905
Student and Instruction Related Services	1,229,479	144,920			1,374,399
School Administrative Services	723,276				723,276
Other Administrative Services	314,123				314,123
Plant Operations and Maintenance	972,813				972,813
Pupil Transportation	257,299				257,299
Unallocated Benefits	2,788,233				2,788,233
Debt Service:					
Principal				669,842	669,842
Interest and Other Charges				312,462	312,462
Capital Outlay	62,417	45,779	5,858		114,054
Total Expenditures	11,617,531	331,365	5,858	982,304	12,937,058

The accompanying Notes to Financial Statements are an integral part of this statement.

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit B-2  
Sheet 2 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	363,724	-	(5,858)	(2)	357,864
Other Financing Sources (Uses):					
Repayment of Extraordinary Aid	(58,038)				(58,038)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	305,686	-	(5,858)	(2)	299,826
Net Change in Fund Balances	305,686	-	(5,858)	(2)	299,826
Fund Balance - July 1	2,204,510			6	2,204,516
Fund Balance - June 30	\$ 2,510,196	-	(5,858)	4	2,504,342

The accompanying Notes to Financial Statements are an integral part of this statement.

LITTLE SILVER SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 299,826
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Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(435,005)	
Capital Outlays	<u>114,052</u>	(320,953)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	669,842
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In the statement of activities, certain operating expenses as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.	(26,204)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	<u>6,486</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ 628,997</u></u>
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**STATEMENT OF FIDUCIARY NET ASSETS**

**Exhibit B-7**

**FIDUCIARY FUNDS**

**JUNE 30, 2012**

	<b><u>Payroll Agency</u></b>	<b><u>Unemployment Compensation Trust</u></b>
Assets:		
Cash and Cash Equivalents	<u>\$          54,743</u>	<u>                  4,986</u>
Total Assets	<u><u>\$          54,743</u></u>	<u><u>                  4,986</u></u>
Liabilities:		
Payroll Deductions and Withholdings	<u>\$          54,743</u>	
Total Liabilities	<u><u>\$          54,743</u></u>	
Net Assets:		
Held in Trust for Unemployment Claims and Other Purposes		<u>\$          4,986</u>
Total Net Assets		<u><u>\$          4,986</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>
<b><u>Additions</u></b>	
Contributions	\$ 30,970
Investment Earnings:	
Interest	62
Total Additions	<u>31,032</u>
<b><u>Deductions</u></b>	
Unemployment Claims	<u>28,571</u>
Total Deductions	<u>28,571</u>
Change in Net Assets	2,461
Net Assets - Beginning of Year	<u>2,525</u>
Net Assets - End of the Year	<u>\$ 4,986</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**LITTLE SILVER SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1:      Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Little Silver School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A.      Reporting Entity:**

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include two elementary schools located in Little Silver Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

The District is part of Red Bank Regional for high school students.

**B.      Government-Wide Financial Statements**

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal Year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received



**NOTE 1:      Summary of Significant Accounting Policies (Continued)**

**C.      Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D.      Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**NOTE 1:      Summary of Significant Accounting Policies (Continued)****E.      Budgets/Budgetary Control (Continued):**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**F.      Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G.      Short-Term Interfund Receivables/Payables:**

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

**H.      Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

**NOTE 1:      Summary of Significant Accounting Policies (Continued)****I.      Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

Capital assets purchased with a historical cost of \$2,000 or more. Accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Adj.</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:					
Capital Assets that are					
Not Being Depreciated:					
Land	<u>\$ 5,297,900</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>5,297,900</u>
Total	<u>5,297,900</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>5,297,900</u>
Depreciable Assets:					
Site Improvements	406,844	(406,844)			
Buildings and Sites	16,540,801	406,844	144,505		17,092,150
Machinery & Equipment	<u>1,726,154</u>	<u>(847,710)</u>	<u>      </u>	<u>      </u>	<u>878,444</u>
Total	<u>18,673,799</u>	<u>(847,710)</u>	<u>144,505</u>	<u>      </u>	<u>17,970,594</u>
Less: Accumulated					
Depreciation:					
Site Improvements	(182,260)	182,260			
Buildings and Sites	(3,589,888)	(201,582)	(375,172)		(4,166,642)
Machinery & Equipment	<u>(1,307,434)</u>	<u>911,995</u>	<u>(59,833)</u>	<u>      </u>	<u>(455,272)</u>
Total Accumulated					
Depreciation	<u>(5,079,582)</u>	<u>892,673</u>	<u>(435,005)</u>	<u>      </u>	<u>(4,621,914)</u>
Total Capital Assets Being					
Depreciated, net of					
Accumulated Depreciation	<u>13,594,217</u>	<u>44,963</u>	<u>(290,500)</u>	<u>      </u>	<u>13,348,680</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 18,892,117</u>	<u>44,963</u>	<u>(290,500)</u>	<u>      </u>	<u>18,646,580</u>

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**I. Capital Assets and Depreciation (Continued)**

Depreciation expense was charged in governmental functions as follows:

Unallocated	<u>\$ 435,005</u>
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**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents monies received for fiscal year 2013. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Deposits (Continued)**

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking/Money Market Accounts	<u>\$ 2,388,754</u>

During the period ended June 30, 2012, the District held investments in the form of a money market account. The carrying amount of the District's cash and cash equivalents at June 30, 2012 was \$2,388,754 and the bank balance was \$2,629,418. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,379,418 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

FDIC	\$ 250,000
GUPDA	<u>2,379,418</u>
	<u>\$ 2,629,418</u>

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>	<u>Long-Term Portion</u>	<u>2012-13 Payment</u>
Compensated Absences Payable	\$ 117,331	26,204		143,535	143,535	
Loans	275,528		(91,842)	183,686	91,844	91,842
Bonds Payable	<u>7,561,000</u>	<u>      </u>	<u>(578,000)</u>	<u>6,983,000</u>	<u>6,332,000</u>	<u>651,000</u>
	<u>\$ 7,953,859</u>	<u>26,204</u>	<u>(669,842)</u>	<u>7,310,221</u>	<u>6,567,379</u>	<u>742,842</u>

**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds. The bonds were issued 4/1/02 at interest rates from 4.75% to 5.00% maturing 3/1/22. These bonds were refinanced on 5/26/05 by \$7,021,000 maturing on 3/1/11 with the balance now paid in full.

Refunding bonds were sold on 5/1/05 for \$7,475,000 at interest from 3.00% to 4.250% maturing 3/1/22 with a balance of \$6,755,000 at June 30, 2012.

Refunding bonds were sold on 4/3/06 to fund MCIA loans of \$958,000 for \$965,000 at interest from 4.00% to 5.00% maturing 6/15/14 with a balance of \$228,000 at June 30, 2012.

**Refunding Bonds**

Pursuant to an Escrow Agreement ("Escrow Agreement"), dated the date of issuance of the Refunding Bonds, between the School District and Wachovia Bank, National Association, Morristown, New Jersey ("Escrow Agent"), the School District will irrevocably deposit direct non-callable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payments of the principal or redemption price of and interest on the Refunded Bonds.

**NOTE 3:      General Long-Term Debt (Continued)****A.      Bonds Payable (Continued)**

Refunding bonds were issued 4/3/06 to fund an MCIA Pooled loan the proceeds of \$968,000 which were used to pay off the outstanding loan of \$958,000.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2013	\$ 651,000	286,113	937,113
2014	642,000	260,250	902,250
2015	730,000	233,450	963,450
2016	725,000	204,250	929,250
2017	720,000	175,250	895,250
2018-2022	<u>3,515,000</u>	<u>430,220</u>	<u>3,945,220</u>
	<u>\$ 6,983,000</u>	<u>1,589,533</u>	<u>8,572,533</u>

**B.      Loans Payable – NJEDA**

The loan payable is a school facilities loan, which is administered by and payable to the New Jersey Economic Development Authority. The loan is for construction, renovation and improvement to the Point Road and Markham Place schools at 1.50% interest maturing 7/15/13, with a balance of \$183,684 at June 30, 2012.

Principal and interest due on loans outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2013	\$ 91,842	2,066	93,908
2014	<u>91,842</u>	<u>689</u>	<u>92,531</u>
	<u>\$ 183,684</u>	<u>2,755</u>	<u>186,439</u>

This is a loan payable that is secured by bonds issued by the Monmouth County Improvement Authority as part of its Pooled Governmental Loan Program. The loan is for construction, renovation and improvement to the Point Road and Markham Place schools.



#### NOTE 4: Pension Plans

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**NOTE 4: Pension Plans (Continued)**

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2012, the State of New Jersey contributed \$536,129 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$422,424 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

The District's contributions to PERS for the years ended June 30, 2012, 2011 and 2010 were \$109,279, \$112,699 and \$100,938 respectively, equal to the required contributions for each year.

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/12	\$ 536,129	100%	0
6/30/11	387,650	100%	0
6/30/10	350,487	100%	0

**NOTE 4: Pension Plans (Continued)**

<b>Year Funding</b>	<b><u>Three-Year Trend Information for PERS</u></b>		
	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/12	\$ 109,279	100%	0
6/30/11	112,699	100%	0
6/30/10	100,938	100%	0

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**NOTE 6: Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

**NOTE 7:      Capital Reserve Account**

A capital Reserve account was established by the Borough of Little Silver Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	<u>\$ 761,100</u>
Increased by:	
Board Resolution 2011-2012	250,000
Unexpended Funds from 2010-2011 Budgeted Withdrawal	<u>38,809</u>
	<u>288,809</u>
Ending Balance, June 30, 2012	<u>\$ 1,049,909</u>

**NOTE 8:      Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2011-2012	\$ 31,032	28,571	4,986
2010-2011	214	70,887	2,525
2009-2010	1,128	46,607	73,198

**NOTE 9:      Contingent Liabilities**

The Board is not involved in any claims or lawsuits incidental to its operations as of June 30, 2012, and as such, no known contingent liabilities.

**NOTE 10:      Fund Balance Appropriated**

**General Fund** – Of the \$2,529,684 General Fund balance at June 30, 2012, \$1,049,909 has been reserved in the Capital Reserve Account, \$80,000 has been reserved for Maintenance reserve; \$40,859 has been reserved for Emergency Reserve, \$303,906 is reserved for year-end encumbrances, \$189,392 is excess surplus, \$531,760 is excess surplus designated for subsequent year's expenditures, and \$333,858 is unreserved and undesignated.

**NOTE 11:      Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004 C73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30<sup>th</sup> if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2012 is \$189,391.

**2% Calculation of Excess Surplus**

2011-12 Total General Fund Expenditures Per the CAFR	\$ 11,617,531
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(958,553)</u>
Adjusted 2011-12 General Fund Expenditures	<u>\$ 10,658,978</u>
2% of Adjusted 2011-12 General Fund Expenditures	<u>\$ 213,180</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>83,858</u>
Maximum Unassigned Fund Balance	<u>\$ 333,858</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-12	\$ 2,529,684
Decreased by:	
Year-End Encumbrances	(303,906)
Legally Restricted -Designated for Subsequent Years Expenditures –	
Excess Surplus	(531,760)
Other Reserves	<u>(1,170,768)</u>
Total Unassigned Fund Balance	<u>\$ 523,250</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 189,392</u>

**NOTE 11:     Calculation of Excess Surplus (Continued)****Section 3**

Reserved Fund Balance – Excess Surplus Designated for Subsequent Year's Expenditures	\$ 531,760
Excess Surplus	<u>189,392</u>
	<u>\$ 721,152</u>

**Detail of Allowable Adjustments**

Non-Public Transportation	\$ 7,541
Extraordinary Aid (Non-Budgeted)	<u>76,317</u>
Total Detail of Allowable Adjustments	<u>\$ 83,858</u>

**Detail of Other Reserved Fund Balance**

Emergency Reserve	\$ 40,859
Maintenance Reserve	80,000
Capital Reserve	<u>1,049,909</u>
Total Other Reserved Fund Balance	<u>\$ 1,170,768</u>

**NOTE 12:     Interfund Balances and Transfers**

	<u>From</u>	<u>To</u>
General Fund	\$	38,503
Special Revenue	32,645	
Capital Projects	<u>5,858</u>	<u>      </u>
	<u>\$ 38,503</u>	<u>38,503</u>

**NOTE 13:     Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2011. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2012 through December 3, 2012.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**



LITTLE SILVER SCHOOL DISTRICT

Exhibit C-1  
Sheet 1 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 10,513,301		10,513,301	10,513,301	-
Tuition	7,000		7,000	20,500	13,500
Interest Earned on Investments			-	11,830	11,830
Transportation Fees	49,765		49,765	42,775	(6,990)
Miscellaneous	53,757		53,757	57,327	3,570
Total Local Sources	10,623,823	-	10,623,823	10,645,733	21,910
State Sources:					
Special Education Aid	224,747		224,747	224,747	-
Extraordinary Aid	70,000		70,000	146,317	76,317
Non Public Transportation Aid			-	7,541	7,541
TPAF Pension (On Behalf-Non-Budgeted)			-	536,129	536,129
TPAF Social Security (Reimbursed - Non-Budgeted)			-	422,424	422,424
Total State Sources	294,747	-	294,747	1,337,158	1,042,411
Federal Sources:					
Education Jobs	17,310	542	17,852	17,852	-
Total Federal Sources	17,310	542	17,852	17,852	-
Total Revenues	10,935,880	542	10,936,422	12,000,743	1,064,321

LITTLE SILVER SCHOOL DISTRICT

Exhibit C-1  
Sheet 2 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Pre-School/Kindergarten - Salaries of Teachers	122,955	(1,000)	121,955	121,446	509
Grades 1-5 - Salaries of Teachers	1,905,203	41,137	1,946,340	1,945,360	980
Grades 6-8 - Salaries of Teachers	1,550,438	28,505	1,578,943	1,578,608	335
Regular Programs - Undistributed Instruction:					
Purchased Professional Educational Services	650	16,619	17,269	17,269	-
Purchased Technical Services	23,757	(5,007)	18,750	18,098	652
Other Purchased Services (400-500 Series)	1,050	(989)	61	61	-
General Supplies	184,173	117,996	302,169	203,110	99,059
Textbooks	46,546	(40,318)	6,228	1,793	4,435
Other Objects	6,577	(1,914)	4,663	4,149	514
Regular Programs - Home Instruction:					
Salaries of Teachers	1,200	975	2,175	2,175	-
Purchased Professional Educational Services	-	290	290	282	8
Total Regular Programs - Instruction	3,842,549	156,294	3,998,843	3,892,351	106,492
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	136,450	(112)	136,338	129,911	6,427
Other Salaries for Instruction	7,935	334	8,269	8,269	-
General Supplies	1,050	(222)	828	462	366
Total Learning and/or Language Disabilities	145,435	-	145,435	138,642	6,793

**LITTLE SILVER SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 3 of 12**

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Resource Room/Resource Center:					
Salaries of Teachers	599,307	(10,128)	589,179	574,823	14,356
Other Salaries for Instruction	135,266	3,847	139,113	136,388	2,725
General Supplies	5,400		5,400	4,513	887
Total Resource Room/Resource Center	739,973	(6,281)	733,692	715,724	17,968
Pre-School Disabilities - Part Time					
Salaries of Teachers	60,450	60	60,510	60,510	-
Other Salaries for Instruction	16,798	14,216	31,014	30,929	85
General Supplies	900	1,930	2,830	1,615	1,215
Total Pre-School Handicapped	78,148	16,206	94,354	93,054	1,300
Total Special Education - Instruction	963,556	9,925	973,481	947,420	26,061
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	169,450	(22,307)	147,143	141,209	5,934
General Supplies	1,545	70	1,615	1,565	50
Total Basic Skills/Remedial - Instruction	170,995	(22,237)	148,758	142,774	5,984
Bilingual Education-Instruction:					
General Supplies	300		300	73	227
Total Bilingual Education-Instruction	300	-	300	73	227
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	38,883		38,883	35,153	3,730
Supplies and Materials	6,095	2,252	8,347	1,917	6,430
Other Objects	350		350	299	51
Total School Sponsored Co-Curricular	45,328	2,252	47,580	37,369	10,211

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 12

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
School Sponsored Athletics - Instruction					
Salaries	34,133		34,133	34,133	-
Purchased Services (300-500 Series)	6,000	750	6,750	6,425	325
Supplies and Materials	5,117	1,497	6,614	6,566	48
Other Objects	2,080	(750)	1,330	875	455
Total School Sponsored Athletics - Instruction	<u>47,330</u>	<u>1,497</u>	<u>48,827</u>	<u>47,999</u>	<u>828</u>
Total Instruction	<u>5,070,058</u>	<u>147,731</u>	<u>5,217,789</u>	<u>5,067,986</u>	<u>149,803</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEA'S within The State					
Special		46,289	46,289	46,289	-
Tuition to Private School for Handicapped					
Within State	225,637	(70,021)	155,616	155,616	-
Total Undistributed Expenditures-Instruction	<u>225,637</u>	<u>(23,732)</u>	<u>201,905</u>	<u>201,905</u>	<u>-</u>
Undistributed Expenditures-Health:					
Salaries	158,200	(198)	158,002	158,002	-
Purchased Professional and Technical Services	7,000	1,800	8,800	8,800	-
Supplies and Materials	3,327	153	3,480	2,950	530
Total Undistributed Expenditures-Health:	<u>168,527</u>	<u>1,755</u>	<u>170,282</u>	<u>169,752</u>	<u>530</u>

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 12

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures-Other Sup. Serv. Students - Related Serv.:					
Salaries	209,320	(16,634)	192,686	192,686	-
Purchased Professional Services	35,000	(10,900)	24,100	17,580	6,520
Supplies and Materials	2,400	(1,171)	1,229	1,229	-
Total Undistributed Expenditures-Other Sup. Serv. Students-Related Serv.	246,720	(28,705)	218,015	211,495	6,520
Undistributed Expenditures-Other Sup. Serv.					
Students-Extra Serv.					
Salaries	35,497	(19,014)	16,483	14,080	2,403
Purchased Professional Services	5,000	36,481	41,481	39,270	2,211
Total Undistributed Expenditures-Other Sup. Serv.	40,497	17,467	57,964	53,350	4,614
Undistributed Expenditures-Other Supp. Serv.					
Students - Reg.:					
Salaries of Other Professional Staff	92,134	9,458	101,592	101,592	-
Other Purchased Prof. And Tech. Services	16,184	(2,754)	13,430	13,430	-
Supplies and Materials	9,300	(1,691)	7,609	5,376	2,233
Total Undistributed Expenditures-Other Supp. Serv.	117,618	5,013	122,631	120,398	2,233
Undistributed Expenditures-Other Sup. Serv. Students - Spec. Serv.:					
Salaries of Other Professional Staff	342,125	(26,061)	316,064	314,026	2,038
Salaries-Secr. And Clerical Assist.	27,670		27,670	27,395	275
Purchased Professional Services	3,000		3,000	276	2,724
Other Purchased Prof. And Tech. Services	17,300	(2,175)	15,125	12,422	2,703
Supplies and Materials	3,000	(1,787)	1,213	1,089	124
Other Objects	6,135	(2,692)	3,443	3,443	-
Total Undistributed Expenditures-Other Sup. Serv. Students-Spec. Serv.:	399,230	(32,715)	366,515	358,651	7,864

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 12

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures-Improvement of Inst. Serv.:					
Salaries-Supervisor of Instruction	84,460		84,460	84,460	-
Salaries-Secr. And Clerical Assist.	12,670		12,670	12,546	124
Purchased Professional Educational Services	3,000	(2,512)	488	-	488
Other Purchased Professional and Techn. Services	-	2,512	2,512	2,512	-
Supplies and Materials	1,500		1,500	1,405	95
Other Objects	1,560		1,560	1,416	144
Total Undistributed Expenditures-Improvement of Inst. Serv.:	<u>103,190</u>	<u>-</u>	<u>103,190</u>	<u>102,339</u>	<u>851</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	119,400	(4,839)	114,561	114,561	-
Salaries of Technology Coordinators	15,000	16,400	36,400	36,400	-
Purchased Professional and Technical Services	2,655	(2,655)			-
Supplies and Materials	17,865		17,865	14,463	3,402
Total Undistributed Expenditures - Edu. Media Serv./ School Library	<u>154,920</u>	<u>8,906</u>	<u>168,826</u>	<u>165,424</u>	<u>3,402</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Salaries of Supervisors of Instruction	18,540		18,540	18,140	400
Salaries of Other Professional Staff	10,808		10,808	10,703	105
Salaries-Other	19,150	(5,664)	13,486	13,486	-
Purchased Professional-Educational Services	10,200	(5,157)	5,043	2,043	3,000
Other Purchased Professional and Tech. Services	2,000	2,198	4,198	2,977	1,221
Supplies and Materials	1,500		1,500	605	895
Other Objects	1,000	116	1,116	116	1,000
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>63,198</u>	<u>(8,507)</u>	<u>54,691</u>	<u>48,070</u>	<u>6,621</u>

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 12

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	223,862	5,804	229,666	210,947	18,719
Legal Services	30,000	(12,618)	17,382	11,216	6,166
Audit Fees	9,300		9,300	9,300	-
Architectural/Engineering Services	3,990	30,237	34,227	22,227	12,000
Other Purchased Professional Services	4,000	(10)	3,990	3,990	-
Purchased Technical Services	5,700	(2,236)	3,464	3,464	-
Communications/Telephone	60,700	(30,300)	30,400	28,431	1,969
BOE Other Purchased Services	600	275	875	875	-
Miscellaneous Purchased Services	3,150	19,896	23,046	22,201	845
Supplies and Materials	2,500		2,500	1,852	648
Miscellaneous	11,300	5,314	16,614	14,097	2,517
BOE Membership Dues and Fees	7,200	(375)	6,825	6,611	214
Total Undistributed Expenditures - Supp. Serv.	362,302	15,987	378,289	335,211	43,078
General Administration					
Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	248,787		248,787	248,787	-
Salaries of Secretarial/Clerical Assistants	133,657		133,657	132,868	789
Other Salaries	5,871		5,871		5,871
Purchased Professional and Technical Services	4,000		4,000	381	3,619
Other Purchased Services	400	(400)	-	-	-
Supplies and Materials	12,686	(2,620)	10,066	4,633	5,433
Other Objects	3,256		3,256	1,396	1,860
Total Undistributed Expend.-Supp. Serv.-School Admin.	408,657	(3,020)	405,637	388,065	17,572

**LITTLE SILVER SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 8 of 12**

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Undistributed Expenditures-Central Services:					
Salaries	195,437	(4,027)	191,410	190,093	1,317
Purchased Professional Services	4,000	1,898	5,898	5,873	25
Purchased Technical Services	4,500	1,439	5,939	2,989	2,950
Miscellaneous Purchased Services	8,000		8,000	5,283	2,717
Supplies and Materials	7,000	(636)	6,364	4,815	1,549
Miscellaneous Expenditures	6,280	(3,105)	3,175	3,175	-
Total Undistributed Expenditures - Central Services	225,217	(4,431)	220,786	212,228	8,558
Undistributed Expenditures-Admin. Information Technology:					
Salaries	61,247	(10)	61,237	60,652	585
Purchased Professional Services	19,826	5,038	24,864	24,864	-
Supplies and Materials	13,500	2,879	16,379	16,379	-
Total Undistributed Expenditures-Admin. Info. Technology	94,573	7,907	102,480	101,895	585
Undistributed Expenditures-Allow. Maint. School Facilities:					
Salaries	38,812		38,812	34,912	3,900
Cleaning, Repair and Maintenance Services	110,765	15,574	126,339	103,129	23,210
General Supplies	20,000		20,000	16,867	3,133
Other Objects	4,750		4,750	3,357	1,393
Total Undistributed Expenditures-Allow. Maint. School Facilities	174,327	15,574	189,901	158,265	31,636



**LITTLE SILVER SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 9 of 12**

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries	355,226	(5,148)	350,078	349,860	218
Salaries of Non-Instructional Aides	17,000	248	17,248	17,248	-
Cleaning, Repair and Maintenance Service	88,079	7,887	95,966	81,911	14,055
Rental of Land & Bldg. Other than Lease Purch.	5,000		5,000		5,000
Other Purchased Property Services	27,000		27,000	25,222	1,778
Insurance	50,000		50,000	49,904	96
Natural Gas			-		-
General Supplies	48,250	1,198	49,448	42,526	6,922
Energy (Electricity)	235,000	(48,500)	186,500	165,558	20,942
Energy (Natural Gas)	100,000	(26,000)	74,000	50,666	23,334
Other Objects	3,050	319	3,369	2,442	927
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	928,605	(69,996)	858,609	785,337	73,272
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	1,102,932	(54,422)	1,048,510	943,602	104,908
Care and Upkeep of Grounds:					
Salaries	21,115	50,000	71,115	18,137	52,978
Cleaning Repair and Maintenance Services	10,500		10,500	838	9,662
General Supplies	1,000		1,000	847	153
Total care and Upkeep of Grounds	32,615	50,000	82,615	19,822	62,793
Security:					
Cleaning Repair and Maintenance Services	9,000		9,000	8,980	20
General Supplies	2,000		2,000	409	1,591
Total Security	11,000	-	11,000	9,389	1,611

**LITTLE SILVER SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 10 of 12**

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Undistributed Expenditures - Student Transportation Serv:					
Salaries-Non-Instructional Aides	650	(200)	450	200	250
Salaries-(Between Home & Sch.)-Reg	9,519		9,519	9,391	128
Salaries-(Between Home & Sch.)-Sp. Ed.	9,059		9,059	6,925	2,134
Contr. Serv. (Bet. Home & Sch.)-Vendors	83,769		83,769	69,184	14,585
Contr. Serv. (Other than Bet. Home & Sch.)-Vendors	27,086		27,086	17,259	9,827
Contr. Serv. (Bet. Home & Sch.)-Joint Agreement	48,620	(2,474)	46,146	43,031	3,115
Contr. Serv. (Sp. Ed. Stds.) - ESCs & CTSAs	124,666	(17,675)	106,991	100,696	6,295
Cont. Serv.- Aid In Lieu-Non Pub Sch	26,520	(1,851)	24,669	10,613	14,056
Total Undistributed Expenditures - Student Transportation Serv.	329,889	(22,200)	307,689	257,299	50,390
Unallocated Benefits:					
Group Insurance	6,261	569	6,830	6,830	-
Social Security Contributions - T.P.A.F.	125,000		125,000	117,870	7,130
Other Retirement Contributions - PERS	120,000	(569)	119,431	109,279	10,152
Unemployment Compensation		22,492	22,492	22,492	-
Workmen's Compensation	93,000	(12,000)	81,000	76,020	4,980
Health Benefits	1,536,066	(101,442)	1,434,624	1,390,312	44,312
Tuition Reimbursement	45,000	(2,028)	42,972	36,933	6,039
Other Employee Benefits	57,376	1	57,377	52,092	5,285
Total Unallocated Benefits	1,982,703	(92,977)	1,889,726	1,811,828	77,898
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	536,129	(536,129)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	422,424	(422,424)
Total On-Behalf Contributions	-	-	-	958,553	(958,553)
Total Undistributed Expenditures	6,069,425	(163,674)	5,910,751	6,469,276	(558,525)

**LITTLE SILVER SCHOOL DISTRICT**

Exhibit C-1  
Sheet 11 of 12

**GENERAL FUND - BUDGETARY COMPARISON SCHEDULE**

**BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Total Current Expense	11,139,483	(15,943)	11,128,540	11,537,262	(408,722)
Capital Outlay:					
Interest Deposit to Capital Reserve	500		500		500
Regular Programs - Instruction:					
Instruction	14,200		56,700	5,441	51,259
Required Maintenance for School Facilities	49,000		56,846	36,671	20,175
Facilities, Acquisition & Construction Services:					
Construction Services	-	79,632	79,632		79,632
Other Objects	22,561		22,561	20,305	2,256
Total Capital Outlay	86,261	79,632	216,239	62,417	153,822
Education Jobs	17,310	542	17,852	17,852	
Total Expenditures	11,243,054	64,231	11,362,631	11,617,531	(254,900)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(307,174)	(63,689)	(426,209)	383,212	809,421
Other Financing Sources (Uses):					
Repayments of Prior Years Extraordinary Aid				(58,038)	(58,038)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(307,174)	(63,689)	(426,209)	325,174	751,383
Fund Balance July 1	2,204,510		2,204,510	2,204,510	-
Fund Balance June 30	\$ 1,897,336	(63,689)	1,778,301	2,529,684	751,383

LITTLE SILVER SCHOOL DISTRICT

Exhibit C-1  
Sheet 12 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Reserve for Encumbrances				\$ 303,906	
Excess Surplus				189,392	
Excess Surplus - Designated for Subsequent Year's Expenditures				531,760	
Maintenance Reserve				80,000	
Capital Reserve				1,049,909	
Emergency Reserve				40,859	
Unrestricted Fund Balance				333,858	
Unrestricted Fund Balance - Designated for Subsequent Year's Expenditures				2,529,684	
Reconciliation to Governmental Fund Statements (GAAP):				(19,488)	
Final State Aid Payments Not Recognized on GAAP Basis					
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,510,196</u>	

**LITTLE SILVER SCHOOL DISTRICT**

54.

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**Exhibit C-1b**

**EDUCATION JOBS FUND**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b><u>Adjusted Budget</u></b>	<b><u>Expended</u></b>	<b><u>Funds Available</u></b>
Health Benefits:			
18-000-100-270	<b><u>\$ 17,852</u></b>	<b><u>17,852</u></b>	<b><u>-</u></b>

**LITTLE SILVER SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ -	47,525	47,525	47,525	-
State Sources	8,473	(1,522)	6,951	6,951	-
Federal Sources	150,006	106,398	256,404	256,404	-
Total Revenues	<u>\$ 158,479</u>	<u>152,401</u>	<u>310,880</u>	<u>310,880</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	34,225	25,016	59,241	59,241	-
Purchased Professional Educational Services	8,473	23,864	32,337	32,337	-
Other Purchased Services		400	400	400	-
General Supplies	602	48,086	48,688	48,688	-
Total Instruction	<u>43,300</u>	<u>97,366</u>	<u>140,666</u>	<u>140,666</u>	<u>-</u>
Support Services:					
Personal Services - Employee Benefits		8,906	8,906	8,906	-
Purchased Professional Educational Services	115,179	-	115,179	115,179	-
Other Purchased Services (400-500 series)		350	350	350	-
Total Support Services	<u>115,179</u>	<u>9,256</u>	<u>124,435</u>	<u>124,435</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		2,653	2,653	2,653	-
Non-Instructional Equipment		43,126	43,126	43,126	-
		45,779	45,779	45,779	-
Total Expenditures	<u>\$ 158,479</u>	<u>152,401</u>	<u>310,880</u>	<u>310,880</u>	<u>-</u>

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**LITTLE SILVER SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGET TO GAAP RECONCILIATION****NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,000,743	310,880
Difference-budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		20,485
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes.		
State Aid Payment Recognized for Budgetary Purposes, Not Recognized for GAAP Statements Until the Subsequent Year.	<u>(19,488)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,981,255</u>	<u>331,365</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,617,531	310,880
Differences-budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		<u>20,485</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,617,531</u>	<u>331,365</u>



## **OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

LITTLE SILVER SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 1 of 4

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title IIA	Title III	I.D.E.A. - Part B	
			Basic	Preschool
Revenues:				
State Sources	\$ -			
Federal Sources	21,825	505	176,421	6,532
Local Sources				
Total Revenues	<u>\$ 21,825</u>	<u>505</u>	<u>176,421</u>	<u>6,532</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 12,024		41,553	5,664
Purchased Professional Educational Services			20,500	
Other Purchased Services				
General Supplies	602	505		
Total Instruction	<u>12,626</u>	<u>505</u>	<u>62,053</u>	<u>5,664</u>
Support Services:				
Personal Services - Employee Benefits	1,726		6,312	868
Purchased Professional Educational Services	7,473		107,706	
Other Purchased Services			350	
Total Support Services	<u>9,199</u>	<u>-</u>	<u>114,368</u>	<u>868</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 21,825</u>	<u>505</u>	<u>176,421</u>	<u>6,532</u>

LITTLE SILVER SCHOOL DISTRICT

Exhibit E-1  
Sheet 2 of 4

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ARRA I.D.E.A. Basic	ARRA I.D.E.A. Preschool	Non-Public Nursing	Non-Public Speech	193 Non-Public Exam & Class
Revenues:					
State Sources	49,341	1,780	1,514	2,370	2,576
Federal Sources					
Local Sources					
Total Revenues	<u>49,341</u>	<u>1,780</u>	<u>1,514</u>	<u>2,370</u>	<u>2,576</u>
Expenditures:					
Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services	4,886		1,514	2,370	2,576
Other Purchased Services		400			
General Supplies	56				
Total Instruction	<u>4,942</u>	<u>400</u>	<u>1,514</u>	<u>2,370</u>	<u>2,576</u>
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional Educational Services					
Other Purchased Services					
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	1,273	1,380			
Non-Instructional Equipment	43,126				
Total Facilities Acquisition and Construction Services	<u>44,399</u>	<u>1,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>49,341</u>	<u>1,780</u>	<u>1,514</u>	<u>2,370</u>	<u>2,576</u>

LITTLE SILVER SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 3 of 4

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	193 Supplemental Instruction	Art Grant	Target Grant	Pride Grant
Revenues:				
State Sources	491	-	-	-
Federal Sources				
Local Sources		140	193	565
Total Revenues	491	140	193	565
Expenditures:				
Instruction:				
Salaries of Teachers				
Purchased Professional Educational Services	491			
Other Purchased Services				
General Supplies		140	193	565
Total Instruction	491	140	193	565
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional Educational Services				
Other Purchased Services				
Total Support Services	-	-	-	-
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services	-	-	-	-
Total Expenditures	491	140	193	565

LITTLE SILVER SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 4 of 4

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Music Grant	PTO Donation	EFLS	Safety Grant	Totals 2012
Revenues:					
State Sources	-	-			6,951
Federal Sources					256,404
Local Sources	1,000	11,676	33,656	295	47,525
Total Revenues	1,000	11,676	33,656	295	310,880
Expenditures:					
Instruction:					
Salaries of Teachers					59,241
Purchased Professional Educational Services					32,337
Other Purchased Services					400
General Supplies	1,000	11,676	33,656	295	48,688
Total Instruction	1,000	11,676	33,656	295	140,666
Support Services:					
Personal Services - Employee Benefits					8,906
Purchased Professional Educational Services					115,179
Other Purchased Services					350
Total Support Services	-	-	-	-	124,435
Facilities Acquisition and Construction Services:					
Instructional Equipment					2,653
Non-Instructional Equipment					43,126
Total Facilities Acquisition and Construction Services	-	-	-	-	45,779
Total Expenditures	1,000	11,676	33,656	295	310,880

**CAPITAL PROJECTS FUND – F**



LITTLE SILVER SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2012Expenditures

Purchased Professional Services	\$ 5,858
Total Expenditures	<u>5,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,858)
Fund Balance - Beginning	<u>                    </u>
Fund Balance - Ending	<u><u>\$ (5,858)</u></u>

**PROPRIETARY FUNDS – G**

**N/A**

**FIDUCIARY FUND – H**

**LITTLE SILVER SCHOOL DISTRICT**

**FIDUCIARY FUNDS**

**Exhibit H-1**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**

**JUNE 30, 2011**

	<b><u>Payroll Agency</u></b>	<b><u>Salary Account</u></b>	<b><u>Flexible Spending Account</u></b>	<b><u>Student Activity</u></b>	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Total 2012</u></b>
<b><u>Assets</u></b>						
Cash and Cash Equivalents	\$ 54,743	2	405	10,779	4,986	70,915
Total Assets	<u>\$ 54,743</u>	<u>2</u>	<u>405</u>	<u>10,779</u>	<u>4,986</u>	<u>70,915</u>
<b><u>Liabilities</u></b>						
Payroll Deductions and Withdrawals	\$ 54,743	2	405			55,150
Due to Student Groups				10,779		10,779
Total Liabilities	<u>\$ 54,743</u>	<u>2</u>	<u>405</u>	<u>10,779</u>	<u>-</u>	<u>65,929</u>
<b><u>Net Assets</u></b>						
Reserved - Dedicated to Unemployment					4,986	4,986
Total Net Assets					<u>4,986</u>	<u>70,915</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****JUNE 30, 2012**

	<b>Unemployment Compensation Trust</b>	<b>Total</b>
Operating Income:		
Contributions	\$ 30,970	30,970
Interest	62	62
Total Income	<u>31,032</u>	<u>31,032</u>
Expenditures:		
Claims Paid	<u>28,571</u>	<u>28,571</u>
Operating Income	<u>2,461</u>	<u>2,461</u>
Net Assets, June 30, 2011	<u>2,525</u>	<u>2,525</u>
Net Assets, June 30, 2012	<u><u>\$ 4,986</u></u>	<u><u>4,986</u></u>

**LITTLE SILVER SCHOOL DISTRICT**

64.

**STUDENT ACTIVITY AGENCY FUND**

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2012**

**Elementary School**

Markham Place

<b><u>Balance</u></b> <b><u>July 1, 2011</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2012</u></b>
<b><u>\$ 5,551</u></b>	<b><u>73,806</u></b>	<b><u>68,578</u></b>	<b><u>10,779</u></b>

**LITTLE SILVER SCHOOL DISTRICT**

65.

**PAYROLL AGENCY FUND**

**Exhibit H-4**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2011**

	<b><u>Balance</u></b> <b><u>July 1, 2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2012</u></b>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	<u>\$ 60,970</u>	<u>3,054,002</u>	<u>3,060,229</u>	<u>54,743</u>
<b><u>Liabilities</u></b>				
Payroll Deductions, Withholdings and Amount Due Employees	<u>\$ 60,970</u>	<u>3,054,002</u>	<u>3,060,229</u>	<u>54,743</u>

## **LONG-TERM DEBT – I**



**LITTLE SILVER SCHOOL DISTRICT**

Exhibit I-1

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2012**

<b><u>Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Annual Date</u></b>	<b><u>Maturities Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Beginning Balance July 1, 2010</u></b>	<b><u>Retired</u></b>	<b><u>Ending Balance June 30, 2011</u></b>
Refunding Bonds	5-26-05	\$ 7,475,000	3-1-13 3-1-14 3-1-15 3-1-16 3-1-17 3-1-18 3-1-19 3-1-20 3-1-21 3-1-22	\$ 535,000 530,000 730,000 725,000 720,000 715,000 710,000 705,000 700,000 685,000	3.750% 4.000% 4.000% 4.000% 4.125% 4.250% 4.250% 4.050% 4.050% 4.100%	\$ 7,220,000	465,000	6,755,000
Refunding Bonds (MCIA)	4-3-06	\$ 965,000	6-15-13 6-15-14	116,000 112,000	5.00% 5.00%	341,000	113,000	228,000
						\$ 7,561,000	578,000	6,983,000

**LITTLE SILVER SCHOOL DISTRICT**

**LONG-TERM DEBT**

**Exhibit I-2a**

**SCHEDULE OF LOANS PAYABLE**

**JUNE 30, 2012**

<b><u>Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Annual Date</u></b>	<b><u>Maturities Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Beginning Balance July 1, 2011</u></b>	<b><u>Paid</u></b>	<b><u>Ending Balance June 30, 2012</u></b>
NJEDA School Facilities Loan Fund	8-19-93	\$1,745,000	7-15-12 7-15-2013	\$ 91,842	1.50%	\$ 275,528	91,844	183,684

**LITTLE SILVER SCHOOL DISTRICT**

**DEBT SERVICE FUND**

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative) Final to Actual</b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 982,302		982,302	982,302	
Total Revenues	<u>982,302</u>	<u>-</u>	<u>982,302</u>	<u>982,302</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	312,463		312,463	312,462	1
Redemption of Principal	669,842		669,842	669,842	-
Total Expenditures	<u>982,305</u>	<u>-</u>	<u>982,305</u>	<u>982,304</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3)	-	(3)	(2)	1
Fund Balance June 30, 2011	<u>6</u>		<u>6</u>	<u>6</u>	
Fund Balance June 30, 2012	<u>\$ 3</u>	<u>-</u>	<u>3</u>	<u>4</u>	<u>1</u>

## **STATISTICAL SECTION**

**(Unaudited)**

Little Silver Board of Education  
Net Assets by Component

(accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 9,752,798	\$ 9,947,265	\$ 10,621,270	\$ 10,938,259	\$ 11,336,359
Restricted	\$ 1,768,466	\$ 1,748,015	\$ 1,639,728	\$ 1,875,884	\$ 1,886,066
Unrestricted	\$ 163,148	\$ 139,634	\$ 131,523	\$ 328,632	\$ 618,276
Total governmental activities net assets	\$ 11,684,412	\$ 11,834,914	\$ 12,392,521	\$ 13,142,775	\$ 13,840,701
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 13,872	\$ 11,418	\$ 21,352	\$ -	\$ -
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ 27,945	\$ 28,238	\$ 17,962	\$ -	\$ -
Total business-type activities net assets	\$ 41,817	\$ 39,656	\$ 39,314	\$ -	\$ -
<b>District-wide</b>					
Invested in capital assets, net of related debt	\$ 9,766,670	\$ 9,958,683	\$ 10,642,622	\$ 10,938,259	\$ 11,336,359
Restricted	\$ 1,768,466	\$ 1,748,015	\$ 1,639,728	\$ 1,875,884	\$ 1,886,066
Unrestricted	\$ 191,093	\$ 167,872	\$ 149,485	\$ 328,632	\$ 618,276
Total district net assets	\$ 11,726,229	\$ 11,874,570	\$ 12,431,835	\$ 13,142,775	\$ 13,840,701

Little Silver Board of Education  
Changes in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>Expenses</b>					
Governmental Activities					
Instruction					
Regular	\$ 3,485,213	\$ 3,716,283	\$ 3,827,448	\$ 3,685,962	\$ 3,892,351
Special Education	\$ 1,261,801	\$ 1,183,941	\$ 1,100,857	\$ 962,172	\$ 1,088,086
Other special education	\$ 109,543	\$ 118,269	\$ 163,266	\$ 324,260	\$ 142,847
Vocational	\$ -	\$ -	\$ -	\$ -	\$ -
Other instruction	\$ 65,643	\$ 77,607	\$ 74,417	\$ 78,954	\$ 85,368
Nonpublic school programs	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services					
Tuition	\$ 204,739	\$ 69,040	\$ 93,294	\$ 109,364	\$ 201,905
Student & instruction related services	\$ 1,011,114	\$ 1,271,129	\$ 1,457,590	\$ 1,353,935	\$ 1,374,399
School Administrative services	\$ 387,688	\$ 397,030	\$ 409,651	\$ 342,958	\$ 723,276
General Administration	\$ 609,308	\$ 747,843	\$ 736,062	\$ 693,635	\$ 314,123
Plant operations and maintenance	\$ 1,039,829	\$ 1,058,348	\$ 1,080,161	\$ 1,018,571	\$ 972,813
Administrative information technology	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	\$ 268,996	\$ 238,267	\$ 289,030	\$ 247,361	\$ 257,299
Other support services	\$ 2,528,880	\$ 2,246,932	\$ 2,368,332	\$ 2,494,489	\$ 2,788,233
Special Schools	\$ -	\$ -	\$ -	\$ -	\$ -
Charter Schools	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on long-term debt	\$ 401,119	\$ 379,824	\$ 356,815	\$ 330,848	\$ 332,182
Unallocated depreciations	\$ 410,252	\$ 421,375	\$ 432,778	\$ 475,241	\$ 435,005
Total governmental activities expenses	\$ 11,784,125	\$ 11,925,888	\$ 12,389,701	\$ 12,117,750	\$ 12,607,887
Business-type activities					
Food service	\$ 127,745	\$ 97,585	\$ 2,342	\$ 6,383	\$ -
Child care	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities	\$ 127,745	\$ 97,585	\$ 2,342	\$ 6,383	\$ -
Total district expenses	\$ 11,911,870	\$ 12,023,473	\$ 12,392,043	\$ 12,124,133	\$ 12,607,887
<b>Program revenues</b>					
Governmental activities					
Charges for services					
Instruction	\$ -	\$ -	\$ -	\$ 6,417	\$ 20,500
Pupil transportation	\$ -	\$ -	\$ -	\$ 37,203	\$ 42,775
Central and other support services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	\$ 255,053	\$ 297,696	\$ 316,145	\$ 311,588	\$ 283,840
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities program revenues	\$ 255,053	\$ 297,696	\$ 316,145	\$ 355,208	\$ 347,115

Little Silver Board of Education  
Changes in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>Business-type activities</b>					
Charges for services					
Food service	\$ 102,435	\$ 73,026	\$ -	\$ -	\$ -
Child care	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities program revenues	\$ 102,435	\$ 73,026	\$ -	\$ -	\$ -
Total district program revenues	\$ 357,488	\$ 370,722	\$ 316,145	\$ 355,208	\$ 347,115
<b>Net (expense) Revenue</b>					
Governmental activities	\$ (11,529,072)	\$ (11,628,192)	\$ (12,073,556)	\$ -	\$ 12,260,772
Business-type activities	\$ (25,310)	\$ (24,559)	\$ (2,342)	\$ (6,383)	\$ -
Total district-wide net expense	\$ (11,554,382)	\$ (11,652,751)	\$ (12,075,898)	\$ (6,383)	\$ 12,260,772
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities					
Property taxes levied for general purpose, net	\$ 9,872,717	\$ 9,802,017	\$ 10,027,707	\$ 10,316,963	\$ 10,513,301
Taxes levied for debt service	\$ 980,251	\$ 970,775	\$ 927,165	\$ 1,001,150	\$ 982,302
Unrestricted grants and contributions	\$ 1,782,753	\$ 1,287,184	\$ 1,189,068	\$ 1,000,417	\$ 1,335,522
Payments in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition Received	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	\$ 57,893	\$ 9,214	\$ 19,032	\$ 12,621	\$ 11,830
Miscellaneous income	\$ 93,497	\$ 157,615	\$ 89,007	\$ 81,029	\$ 104,852
Transfers	\$ (17,596)	\$ (22,398)	\$ -	\$ -	\$ (58,038)
Inventory Retirements	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities	\$ 12,769,515	\$ 12,204,407	\$ 12,251,979	\$ 12,412,180	\$ 12,889,769
<b>Business-type activities</b>					
Investment earnings	\$ (641)	\$ -	\$ -	\$ 5	\$ -
Transfers	\$ 22,017	\$ 22,398	\$ -	\$ -	\$ -
Fixed Asset Adjustments	\$ (16,051)	\$ -	\$ -	\$ -	\$ -
Total business-type activities	\$ 5,325	\$ 22,398	\$ -	\$ 5	\$ -
Total district-wide	\$ 12,774,840	\$ 12,226,805	\$ 12,251,979	\$ 12,412,185	\$ 12,889,769
<b>Change in Net Assets</b>					
Governmental activities	\$ 1,240,443	\$ 576,215	\$ 178,423	\$ 649,998	\$ 628,997
Business-type activities	\$ (19,985)	\$ (2,161)	\$ (2,342)	\$ (6,378)	\$ -
Total district	\$ 1,220,458	\$ 574,054	\$ 176,081	\$ 643,620	\$ 628,997

Little Silver Board of Education  
Fund Balances, Government Funds  
Last Five Fiscal Years  
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>General Fund</b>					
Reserved	\$ 1,701,705	\$ 1,702,956	\$ 1,639,725	\$ 1,875,878	\$ 2,195,826
Unreserved	\$ 267,841	\$ 252,766	\$ 250,278	\$ 328,632	\$ 314,370
Total general fund	<u>\$ 1,969,546</u>	<u>\$ 1,955,722</u>	<u>\$ 1,890,003</u>	<u>\$ 2,204,510</u>	<u>\$ 2,510,196</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	\$ 38,389	\$ -	\$ -	\$ -	\$ (5,858)
Debt service fund	\$ 28,649	\$ 45,059	\$ 3	\$ 6	\$ 4
Permanent fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other governmental funds	<u>\$ 67,038</u>	<u>\$ 45,059</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ (5,854)</u>



LITTLE SILVER SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax levy	8,010,541	8,545,913	9,533,997	9,993,224	10,483,466	10,852,968	10,772,792	10,954,872	11,318,113	11,495,603
Tuition Charges	69,333	46,472	127,233	158,856	31,265	-	21,022	1,133	6,417	20,500
Transportation Fees							43,978	48,578	37,203	42,775
Interest Earnings	5,232	2,113	3,514	6,367	9,343	57,893	9,214	19,032	12,621	11,830
Miscellaneous	243,978	333,466	111,152	218,146	304,283	95,951	182,120	106,090	121,714	104,852
State Sources	1,042,482	1,188,779	1,183,605	1,424,459	1,802,540	1,793,343	1,484,733	1,197,479	1,265,327	1,324,621
Federal Sources	174,340	186,210	201,292	201,788	198,253	198,031	11,517	240,940	5,993	294,741
Total Revenue	9,545,906	10,302,953	11,160,793	12,002,840	12,829,150	13,042,164	12,524,504	12,568,124	12,767,388	13,294,922
<b>General Fund Expenditures</b>										
Instruction:										
Regular	3,200,320	3,341,913	3,633,730	3,761,905	3,397,059	3,551,867	3,681,736	3,821,825	3,685,962	3,892,351
Special	776,852	840,901	1,032,570	1,006,509	1,225,633	1,261,801	1,183,941	1,100,857	962,172	1,088,086
Other	90,777	105,255	137,363	114,470	115,348	109,543	118,269	163,266	324,260	142,847
School-Sponsored/Other Instructional	52,305	65,898	37,997	64,354	67,951	65,643	77,607	74,417	78,954	85,368
Support Services and Undistributed Costs:										
Tuition	363,529	238,979	230,856	200,160	194,365	204,739	69,040	93,294	109,364	201,905
Student & Instruction Related Services	704,778	775,342	834,750	975,247	944,170	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399
General Administration	298,530	341,924	377,914	569,977	-	-	397,030	409,651	342,598	314,123
School Administration	312,721	627,961	350,818	340,463	727,287	387,688	527,175	736,062	693,635	723,276
Central Services			160,151	0	205,641	609,308	220,668			
Operations and Maintenance	569,064	650,567	833,969	1,156,671	1,063,564	1,039,829	873,077	1,080,161	1,018,571	972,813
Student Transportation	309,276	320,602	277,883	233,792	288,624	268,996	238,267	289,030	247,361	257,299
Allowable Maintenance-School Facilities								185,271		
Unallocated Employee Benefits	1,096,527	1,582,964	1,782,473	2,039,814	2,531,087	2,528,880	1,500,788	1,380,891	2,495,913	2,788,233
On-Behalf TPAF pension Contributions	228,227	-	-	-	-	-	339,188	350,487		
Reimbursed TPAF Social Security	322,322	-	-	-	-	-	406,956	429,901		
Capital Outlay:										
Total Capital Outlay	12,612,175	596,539	418,821	786,452	525,329	578,842	429,721	112,193	139,006	114,054
Debt Service:										
Principal	526,842	529,842	531,842	624,842	574,842	407,818	605,842	608,842	661,842	669,842
Interest and other charges	499,978	525,558	519,025	415,068	433,437	604,047	386,912	363,379	339,305	312,462
Total General Fund Expenditures	21,962,223	10,544,245	11,160,162	12,289,724	12,274,337	12,630,115	12,512,617	12,678,899	12,452,878	12,937,058
Excess (Deficiency) of revenues over (under) expenditures	(12,416,317)	(241,292)	631	(286,884)	554,813	412,049	11,887	(110,775)	314,510	357,864
Other Financing sources (uses)										
Refund of Extraordinary Aid			20,797		15,575	4,421				(58,038)
Accrued Interest on Bonds			-	2,150	3,282	1,055	38,451			
Transfers in	163,344	89,269	-	-	-	-	-	-	-	-
Transfers Out	(163,344)	(103,373)	(29,440)	(17,701)	(16,432)	(23,072)	(60,852)	-	-	-
Total Other Financing Sources (uses)	0	(14,104)	(8,643)	(15,551)	2,425	(17,596)	(22,401)	-	-	(58,038)
Net change in fund balance	(12,416,317)	(255,396)	(8,012)	(302,435)	557,238	394,453	(10,514)	(110,775)	314,510	299,826
Debt service as a percentage of noncapital expenditures	10.98%	10.61%	9.78%	9.04%	8.58%	8.40%	8.22%	7.74%	8.13%	7.66%

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as business and Other Support Services.

Source: District Records

LITTLE SILVER SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Admissions	-	-	-	-	-	-	-	-	-	-
Book Fines	-	-	-	-	-	-	-	-	-	140
Enrichment Programs	-	-	-	-	-	-	-	-	10,800	10,665
Interest	11,212	7,453	49,084	75,742	94,760	57,893	9,152	19,032	12,621	11,830
Miscellaneous	165,236	4,547	716	1,288	84,639	49,493	89,033	11,911	11,895	5,601
Facility Rentals	-	-	-	-	-	-	-	-	5,861	1,413
Refund Prior Year's Expenditures	-	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	9,059	-	-	-
Transportation Fees	35,320	37,873	38,631	40,956	47,050	43,978	49,722	48,578	37,203	35,775
Tuition	66,791	49,014	127,233	158,856	31,265	-	21,022	28,233	64,458	59,708
	<u>278,559</u>	<u>98,887</u>	<u>215,664</u>	<u>276,842</u>	<u>257,714</u>	<u>151,364</u>	<u>177,988</u>	<u>107,755</u>	<u>142,839</u>	<u>125,132</u>

Source: District records

LITTLE SILVER SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Fiscal Year Ended June 30	Vacant		Residential	Farm Reg	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax- Exempt Property	Public Utilities	Net Valuation Taxable	Estimated		Total Direct School Tax Rate
	Land												Actual (County Equalized Value)	Value)	
2002	6,737,200		577,010,800	2,093,400	13,500	51,179,200	0	0	637,034,100	0	876,669	637,910,769	889,228,388		1.256
2003	8,249,100		1,123,310,000	3,476,500	15,800	82,370,200	0	0	1,217,421,600	0	1,297,940	1,218,719,540	1,025,047,248		0.701
2004	9,825,800		1,125,391,300	3,376,500	15,800	81,976,200	0	0	1,220,585,600	0	1,233,847	1,221,819,447	1,148,293,983		0.780
2005	11,932,100		1,127,214,700	3,376,500	15,800	81,976,200	0	0	1,224,515,300	0	1,116,203	1,225,631,503	1,299,314,885		0.815
2006	10,674,300		1,137,660,400	3,376,500	15,800	83,486,600	0	0	1,235,213,600	0	921,403	1,236,135,003	1,442,740,055		0.848
2007	13,882,900		1,144,025,300	3,376,500	15,800	83,976,300	0	0	1,245,276,800	0	921,403	1,246,314,064	1,586,968,655		0.848
2008	15,409,600		1,149,913,900	3,376,500	15,800	83,930,100	0	0	1,252,645,900	0	1,054,252	1,253,700,152	1,651,284,812		0.859
2009	14,215,700		1,134,855,600	3,376,500	15,800	84,643,500	0	0	1,237,107,100	0	1,227,857	1,238,334,957	1,690,394,643		0.885
2010	9,474,700		1,146,434,300	3,376,500	15,800	84,557,900	0	0	1,243,859,200	0	2,303,833	1,246,163,033	1,659,770,691		0.909
2011	9,557,900		1,152,263,400	3,376,500	15,500	84,557,900	0	0	1,249,771,200	0	1,021,967	1,250,793,167	1,621,069,059		0.919

Source: Monmouth County Tax Board



Exhibit J-8

LITTLE SILVER SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR & NINE YEARS AGO  
UNAUDITED

	Assessed Valuation 2012	Rank (Optional)	% of District's Net Assessed Valuation	Assessed Valuation 2003	Rank (Optional)	% of District's Net Assessed Valuation
Markham Prospect Assoc.	8,694,700	1	0.69%	8,684,700	1	0.71%
Conover Realty	5,750,400	2	0.46%			
Taxpayer #1	3,871,900	3	0.31%	3,871,900	2	0.32%
Taxpayer #2	3,565,600	4	0.28%	3,468,000	4	0.28%
I.S.T. Corp.	2,796,700	5	0.22%	2,625,800	7	0.21%
Taxpayer #3	2,780,100	6	0.22%	2,780,100	6	0.23%
1979 Associates, LLC	2,452,200	7	0.20%	2,452,200	9	0.20%
Yo Holdings, LLC	2,432,300	8	0.19%	2,432,300	10	0.20%
Taxpayer #4	2,430,100	9	0.19%			
Taxpayer #5	2,373,900	10	0.19%	2,579,800	8	0.21%
Total Net Taxable Value	37,147,900		2.96%	28,894,800		2.36%

Exhibit J-9

LITTLE SILVER SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Sub years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2003	6,850,323	6,850,323	100.00%	-
2004	8,010,541	8,010,541	100.00%	-
2005	8,545,913	8,545,913	100.00%	-
2006	9,533,997	9,533,997	100.00%	-
2007	10,483,466	10,483,466	100.00%	-
2008	10,852,968	10,852,968	100.00%	-
2009	10,772,792	10,772,792	100.00%	-
2010	10,954,872	10,954,872	100.00%	-
2011	11,318,113	11,318,113	100.00%	-
2012	11,495,603	11,495,603	100.00%	-

Source: District records including the Certificate and Report of School  
Taxes (A4-F Form)

LITTLE SILVER SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS\*  
UNAUDITED

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		Total District	% of Personal Income	Per Capita
	General Obligation Loans	Bonds & Certificates of Participation	Bonded Debt Anticipation Notes(BANs)	Capital Leases	Capital Leases			
2003	12,092,164	-	-	-	-	12,092,164	4.37%	1,933
2004	11,562,422	-	-	-	-	11,562,422	3.90%	1,848
2005	11,484,580	-	-	-	-	11,484,580	3.75%	1,843
2006	10,866,738	-	-	-	-	10,866,738	3.28%	1,761
2007	10,291,896	-	-	-	-	10,291,896	2.92%	1,682
2008	9,713,054	-	-	-	-	9,713,054	2.68%	1,589
2009	9,107,212	-	-	-	-	9,107,212	2.66%	1,483
2010	8,498,370	-	-	-	-	8,498,370	2.51%	1,427
2011	7,836,528	-	-	-	-	7,836,528	2.31%	1,316
2012	7,166,686	-	-	-	-	7,166,686	N/A	N/A

Source: Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
See Exhibit NJ J-14 for personal income and population data.  
These ratios are calculated using personal income and population for the prior calendar year.

Exhibit J-11

LITTLE SILVER SCHOOL DISTRICT  
RATIO OF NET GENERAL DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Net Bonded Debt Per Capita
2002	12,619,106	-	12,619,106	1.98%	2,017
2003	12,092,164	-	12,092,164	0.99%	1,933
2004	11,562,422	-	11,562,422	0.95%	1,848
2005	11,484,580	-	11,484,580	0.94%	1,843
2006	10,866,738	-	10,866,738	0.88%	1,761
2007	10,291,896	-	10,291,896	0.83%	1,682
2008	9,713,054	-	9,713,054	0.78%	1,587
2009	9,107,212	-	9,107,212	0.74%	1,490
2010	8,498,370	-	8,498,370	0.68%	1,384
2011	7,836,528	-	7,836,528	0.63%	1,316
2012	7,166,686	-	7,166,686	N/A	N/A

Source: Details regarding the district's outstanding debt can be found in the notes to the financial statements. See Exhibit J-6 for property tax data. Polulation data can be found in the Exhibit J-14.



Exhibit J-12

LITTLE SILVER SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED

Net Direct Debt of School District as of June 30, 2012	\$ 7,166,686.00
Net Overlapping Debt of School District:	
Borough of Little Silver (100%)*	4,190,170.80
County of Monmouth - Little Silver share (1.305977589%)	6,251,458.81
Total Direct and Overlapping Bonded Debt as of June 30, 2012	<u>\$ 17,608,315.61</u>

Source: Little Silver Chief Financial Officer  
and Monmouth County Treasurer's Office.

LITTLE SILVER SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin For Fiscal Year 2012

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debit Limit	27,007,729	30,594,692	34,692,477	51,822,679	57,676,695	46,789,559	49,277,267	50,014,501	49,712,344	48,965,532
Total net debt applicable to limit	12,341,762.00	15,465,277.00	14,884,775.00	15,928,433.00	13,503,893.62	9,713,054.00	9,107,212.00	8,498,370.00	7,836,528.00	7,166,686.00
Legal debt margin	14,665,967.00	15,129,415.00	19,807,702.00	35,894,246.00	44,172,802.00	37,076,505.16	40,170,055.07	41,516,131.46	41,875,815.93	41,798,845.90
Total net debt applicable to the limit as a percentage of debt limit	46%	51%	43%	30.74%	23.41%	26.20%	22.67%	20.47%	18.71%	17.15%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

Exhibit J-14

LITTLE SILVER BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Year</u>	<u>Population</u>	<u>Personal Income<sup>a</sup></u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	6,255	\$274,000,275.00	\$43,805.00	2.2%
2003	6,257	\$276,728,339.00	\$44,227.00	3.3%
2004	6,257	\$296,419,118.00	\$47,374.00	3.2%
2005	6,233	\$306,470,377.00	\$49,169.00	2.7%
2006	6,171	\$331,481,436.00	\$53,716.00	2.7%
2007	6,119	\$353,005,110.00	\$57,690.00	2.8%
2008	6,114	\$362,768,076.00	\$59,334.00	3.6%
2009	6,141	\$342,446,724.00	\$55,764.00	6.0%
2010	5,955	\$339,167,025.00	\$56,955.00	6.0%
2011	5,956	\$339,462,220.00	\$56,995.00	6.1%

Source: New Jersey Department of Labor, State Data Center and Monmouth County Planning Board

\*\* School District per Capita Income based on US Bureau of the Census, Population Division.

<sup>a</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

LITTLE SILVER BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2012

2003

DATA NOT AVAILABLE

DATA NOT AVAILABLE

Source: Borough of Little Silver

LITTLE SILVER BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	49.0	48.1	51.7	64.2	65.6	67.1	66.0	66.0	66.0	67.0
Special Education	12.5	10.5	11.0	13.6	14.5	16.7	17.3	17.4	17.5	16.8
Other Special Education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Student & instruction related services	31.5	31.9	37.7	43.0	30.0	9.6	12.4	15.3	13.4	13.3
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	6.0	6.0
Other administrative services	6.1	6.5	6.5	6.0	6.0	5.0	3.0	3.0	3.0	4.0
Central Services	-	-	-	-	-	-	-	-	2.8	2.8
Administrative Information Technology	-	-	-	0.5	0.5	1.0	1.0	1.0	0.8	0.8
Plant operations & maintenance	8	8	8	10	10	11.9	10.0	10.0	11.8	11.8
Pupil transportation	-	-	-	-	-	-	0.7	0.7	0.7	0.6
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	114.7	112.6	122.5	144.9	134.2	118.9	118.0	121.0	124.0	125.1

Source: District Personnel Records

LITTLE SILVER BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u> <sup>a</sup>	<u>Cost Per Pupil</u>	<u>Percentile Change</u>	<u>Teaching Staff</u> <sup>b</sup>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u> <sup>c</sup>	<u>Average Daily Attendance (ADA)</u> <sup>c</sup>	<u>% Change in ADE</u>	<u>Student Attendance Percentage</u>
2003	836	8,345,226	\$9,982		71.5	12.7:1	11.9:1	838	800.0	#REF!	95.5%
2004	827	8,636,425	\$10,443	4.62%	72.1	13.1:1	11.2:1	828.7	795.3	-1.11%	96.0%
2005	821	9,913,694	\$12,075	15.63%	74	11.7:1	10.3:1	822	790.0	-0.81%	96.1%
2006	802	9,361,136	\$11,672	-3.34%	74	11.2:1	8.8:1	804	773.5	-2.19%	96.2%
2007	809	9,484,875	\$11,724	0.45%	77	10.4:1	9.0:1	794.9	762.1	-1.13%	95.9%
2008	809	9,816,435	\$12,134	3.50%	76	10.8:1	8.6:1	810.7	778.5	1.99%	96.0%
2009	807	10,064,659	\$12,472	2.78%	76	11.2:1	8.9:1	805.3	773.9	-0.67%	96.1%
2010	801	10,499,390	\$13,108	5.10%	76	10.9:1	8.1:1	804.3	771.3	-0.12%	95.9%
2011	804	10,225,573	\$12,718	-2.97%	76	10.6:1	8.9:1	792	781.2	-1.53%	98.6%
2012	817	10,578,708	\$12,948	1.81%	75			809	779.4	2.15%	96.3%

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

LITTLE SILVER SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>District Building</b>										
<u>Elementary</u>										
Point Road Elementary										
Square Feet	50,998	50,998	50,998	50,998	50,998	50,998	50,998	50,998	50,998	50,998
Capacity (students)			466	466	466	466	466	466	466	466
Enrollment	455	455	445	442	436	438	440	459	447	460
<u>Middle School</u>										
Markham Place Middle school										
Square Feet	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189
Capacity (students)			387	387	387	387	387	387	387	387
Enrollment	381	372	376	360	352	371	371	338	359	347
<u>Other</u>										
<u>Administration Building</u>										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,401	1,401

Source: District records

Exhibit J-19

LITTLE SILVER SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXXX

School Facilities	Markham Place	Point Road Elementary	Other Facilities	Total School Facilities
2003	21,882	16,211	407	38,501
2004	42,281	31,323	787	74,391
2005	45,914	34,014	855	80,783
2006	118,092	87,485	2,199	207,776
2007	94,192	69,404	1,652	165,248
2008	110,091	81,558	2,050	193,699
2009	112,824	70,983	1,465	185,271
2010	117,417	91,522	1,766	210,704
2011	86,639	91,685	1,519	179,843
2012	86,857	81,040	500	168,397

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records



Exhibit J-20

LITTLE SILVER SCHOOL DISTRICT  
INSURANCE SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED

	<u>Coverage Limits</u>	<u>Deductible</u>
Multi-Peril - General Securities		
Property - Blanket Building and contents (Replacement Cost Values)	\$ 33,392,747	\$ 1,000
Extra Expense Section - All Risks Coverage	\$ 1,000,000	
Electronic Data Processing Equipment	\$ 310,000	\$ 250
Flood & Earthquake	\$ 5,000,000	\$ 25,000
Musical Instruments Floater	\$ 500,000	\$ 250
Monies and Security	\$ 25,000	
Comprehensive General Liability	\$ 1,000,000	\$ 1,000
Employers Non-Owned & Hired Automobile Liability	\$ 1,000,000 \$ 1,000,000	\$ 500 \$ 1,000
Employee Benefits Liability	\$ 1,000,000	\$ 1,000
Aggregate	\$ 3,000,000	
Workers Compensation - NJSBAIG	\$ 2,000,000	
Covered Payrolls	\$ 7,135,691	
	Included in blanket	
Boiler Insurance - General Securities	property limit	\$ 1,000
Extra Expense Section	\$ 100,000	\$ 1,000
Fidelity Bond - General Securities		
Treasurer	\$ 200,000	
Board Secretary	\$ 83,000	
School Board Legal Liability - NJSBAIG	\$ 1,000,000	\$ 5,000
Student Accident - McCloskey Ins. Co.		
Compulsory Program	\$ 1,000,000	
Catastrophic Casualty	\$ 500,000	

Source: District Records

## **SINGLE AUDIT SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT**  
**OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**  
**WITH GOVERNMENT AUDITING STANDARDS (NO MATERIAL**  
**WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED,**  
**NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR**  
**OTHER MATTERS IDENTIFIED**

K-1

Honorable President and Members  
of the Board of Education  
Little Silver School District  
County of Monmouth  
Little Silver, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Little Silver School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Internal Control Over Financial Reporting**

Management of the Little Silver Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Little Silver Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Little Silver Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Little Silver Board of Education's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Little Silver Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Little Silver Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Robert A. Hulsart***

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

December 3, 2012

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 (UNQUALIFIED OPINION ON COMPLIANCE;  
NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN  
INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

K-2

Honorable President and Members  
of the Board of Education  
Little Silver School District  
County of Monmouth  
Little Silver, New Jersey

## **Compliance**

We have audited the Board of Education of the Little Silver School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Little Silver Board of Education's major federal and state programs for the year ended June 30, 2012. Little Silver Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Little Silver Board of Education's management. Our responsibility is to express an opinion on the Little Silver Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Little Silver Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Little Silver Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Little Silver School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

### **Internal Control Over Compliance**

The management of the Board of Education of the Little Silver School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Little Silver Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Little Silver Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Little Silver Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Little Silver Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Little Silver Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robert A. Hulsart*

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

December 3, 2012

LITTLE SILVER SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Schedule A  
K-3

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repaid to Grantor	Balance at June 30, 2012	
				From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Education													
Passed-Through State Department of Education													
General Fund:													
Education Jobs Fund	84.410A	N/A	17,852	9-01-10 to 8-31-12		\$ -		17,852	(17,852)				
ARRA I.D.E.A. Basic	84.391	ARRA10	165,282	9-01-09 to 8-31-11		(23,186)		72,641	(49,341)	(114)			
ARRA I.D.E.A. Preschool	84.392	ARRA10	5,983	9-01-09 to 8-31-11		(2,615)		4,395	(1,780)				
Title IIA	84.281	NCLB11	23,894	9-01-10 to 8-31-11		(5,104)		6,830	(1,726)				
Title IIA	84.281	NCLB12	23,749	9-01-11 to 8-31-12				12,453	(20,099)			(7,646)	
Title III	84.365A	NCLB12	505	9-01-11 to 8-31-12				505	(505)				
I.D.E.A. Basic	84.027	FT11	173,958	9-01-10 to 8-31-11		(25,465)		31,178	(6,146)			(433)	
I.D.E.A. Basic	84.027	FT12	175,902	9-01-11 to 8-31-12				141,513	(170,275)			(28,762)	
I.D.E.A. Preschool	84.173	FT11	6,117	9-01-10 to 8-31-11		(854)		1,289	(435)				
I.D.E.A. Preschool	84.173	FT12	6,097	9-01-11 to 8-31-12				5,097	(6,097)			(1,000)	
Total U.S. Department of Education						(57,224)	-	275,901	(256,404)	(114)	-	(37,841)	-
Total Federal Financial Assistance						(57,224)	-	293,753	(274,256)	(114)	-	(37,841)	-

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.



LITTLE SILVER SCHOOL DISTRICT

Schedule B  
K-4

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title State Department of Education General Fund:	Project Number	Grant or State Award	Grant Period From To	Balance at June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2012		MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due To Grantor					(Accounts Receivable)	Deferred Revenue		
Special Education Aid	12-100-034-5120-089	224,747	7-01-11 to 6-30-12	\$ -	-	-	224,747	(224,747)	-	-	-	(19,488)	224,747
Extraordinary Aid	11-100-034-5120-044	133,986	7-01-10 to 6-30-11	(133,986)	-	-	133,986	-	-	-	-	-	-
Extraordinary Aid	12-100-034-5120-044	146,317	7-01-11 to 6-30-12	-	-	-	-	(146,317)	-	(146,317)	-	-	146,317
Non Public Transportation Aid	11-495-034-5120-014	10,613	7-01-10 to 6-30-11	(10,613)	-	-	10,613	-	-	(7,541)	-	-	7,541
Non Public Transportation Aid	12-495-034-5120-014	7,541	7-01-11 to 6-30-12	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social													
Security Contributions	12-495-034-5095-002	422,424	7-01-10 to 6-30-11	(144,599)	-	-	401,689	(422,424)	-	(20,735)	-	(19,488)	422,424
Total General Fund							771,035	(801,029)	-	(174,593)	-	(19,488)	801,029
Special Revenue:													
N.J. Nonpublic Aid:													
Textbook Aid	11-100-034-5120-064	1,194	7-01-10 to 6-30-11	1,194	-	-	-	-	1,194	-	-	-	-
Textbook Aid	12-100-034-5120-064	1,075	7-01-11 to 6-30-12	-	-	-	1,075	-	-	-	-	-	-
Nursing Services	11-100-034-5120-070	1,414	7-01-10 to 6-30-11	69	-	-	-	-	69	-	-	-	-
Nursing Services	12-100-034-5120-064	1,536	7-01-11 to 6-30-12	-	-	-	1,536	(1,514)	-	-	-	-	-
Compensatory Education	11-100-034-5120-066	837	7-01-10 to 6-30-11	837	-	-	-	-	837	-	-	-	-
Supplemental Instruction	12-100-034-5120-067	491	7-01-11 to 6-30-12	-	-	-	491	(491)	-	-	-	-	1,514
Examination & Classification - I	12-100-034-5120-067	2,253	7-01-11 to 6-30-12	-	-	-	2,253	(2,253)	-	-	-	-	491
Examination & Classification - A	12-100-034-5120-067	323	7-01-11 to 6-30-12	-	-	-	323	(323)	-	-	-	-	2,253
Corrective Speech	12-100-034-5120-067	5,529	7-01-11 to 6-30-12	-	-	-	5,529	(2,370)	-	-	-	-	323
Total Special Revenue				2,100	-	-	11,207	(6,951)	2,100	-	-	-	2,370
Total State Financial Assistance				\$ (142,499)	-	-	782,242	(807,980)	2,100	(174,593)	-	(19,488)	807,980

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**BOARD OF EDUCATION**

K-5

**LITTLE SILVER SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2012****NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance federal and state award activity of the Board of Education, Little Silver School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>State Assistance</u>			
Actual Amounts (Budgetary)			
“Revenues” from the Schedule			
of Expenditures of State			
Financial Assistance	\$ 801,029	6,951	807,980
Difference – Budget to “GAAP”			
Grant Accounting Budgetary			
Basis Differs from GAAP			
in that Encumbrances are			
Recognized as Expenditures			
and the Related Revenue			
is Recognized			
On Behalf Payments			
Recognized for GAAP			
Statements but Not			
Included in the Schedule			
of Expenditures of State			
Financial Assistance	536,129		536,129
The Last State Aid Payment			
Is Recognized as Revenue			
for Budgetary Purposes,			
and Differs from GAAP			
Which does not Recognize			
This Revenue Until the			
Subsequent Year When the			
State Recognizes the Related			
Expense (GASB 33)	<u>(19,488)</u>	<u>      </u>	<u>(19,488)</u>
Total State Revenue as Reported			
on the Statement of Revenues,			
Expenditures and Changes in			
Fund Balances	<u>\$ 1,317,670</u>	<u>6,951</u>	<u>1,324,621</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>			
Actual Amounts (Budgetary)			
“Revenues” from the Schedule			
of Expenditures of Federal Awards	\$ 17,852	256,404	274,256
Difference – Budget to “GAAP”			
Grant Accounting Budgetary			
Basis Differs from GAAP in that			
Encumbrances are Recognized as			
Expenditures, and the Related			
Revenue is Recognized	_____	<u>20,485</u>	<u>20,485</u>
Total Federal Revenue as			
Reported on the Statement			
of Revenue, Expenditures,			
and Changes in Fund Balances	<u>\$ 17,852</u>	<u>276,889</u>	<u>294,741</u>
Balances			

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2012.

**LITTLE SILVER SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2012***Section I - Summary of Auditor's Results***Financial Statement Section****Unqualified**

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      x   No2) Significant deficiencies identified that are  
not considered to be material weaknesses?\_\_\_\_\_ Yes      x   None ReportedNoncompliance material to general purpose financial  
statements noted?\_\_\_\_\_ Yes      x   No

**LITTLE SILVER SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2012*****Section I - Summary of Auditor's Results (Continued)*****State Awards**Dollar threshold used to distinguish between type A and type B programs: \$ 300,000Auditee qualified as low-risk auditee?   x   Yes        No

Internal Control over major programs:

(1) Material Weakness(es) identified?        Yes   x   No(2) Significant deficiencies identified that are not considered to material weaknesses?        Yes   x   None ReportedType of auditor's report issued on compliance for major programs: UnqualifiedAny audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?        Yes   x   No

Identification of major programs:

**State Grant/Project Number(s)**12-495-034-5095-002**Name of State Program**TPAF Social Security Reimbursed

**LITTLE SILVER SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2012*****Section II - Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*. See the AICPA Audit Guide *Government Auditing Standards and Circular A-133 Audits* for further guidance on this schedule.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of responsible officials and planned corrective action: N/A

**LITTLE SILVER SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS****FOR THE FISCAL YEAR ENDED JUNE 30, 2012****K-6*****Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs  
(Continued)***

This section identifies audit findings required to be reported by section .510 of Circular A-133 and OMB Circular Letter 04-04.

**STATE AWARDS**

Finding: NONE

Information on the federal program (1): N/A

Criteria or specific requirement: N/A

Condition (2): N/A

Questioned Costs (3): N/A

Context (4): N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Views of responsible officials and planned corrective action (5): N/A



**LITTLE SILVER SCHOOL DISTRICT****SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

K-7

**Status of Prior Year Findings:**Finding: NoneCondition: N/ACurrent Status: N/A